



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council

FROM: Vicki L. H. Myers, Chief of Police

MEETING DATE: February 4, 2015

SUBJECT: Authorize the City Manager to Enter into an Agreement with IPS Group, Inc. for the Purchase of Smart Parking Meters, Sensors, Installation Services, and a Data Management System

CEQA: This action is categorically exempt as defined under the California Environmental Quality Act (CEQA) under Class 1, Article 19, Section 15301(b). Existing facilities, this states that Class 1 includes maintenance of existing public facilities.

RECOMMENDATION

Approve a resolution authorizing the City Manager to enter into an agreement with IPS Group, Inc. for the purchase of 106 Single Space Smart Parking Meters, 101 sensors, installation, training services, and a hosted web-based data management system in an amount not to exceed \$83,730.00 plus applicable taxes.

DISCUSSION

The City of Pacific Grove currently operates 101 parking meters near the American Tin Cannery on Ocean View Boulevard, Eardley Avenue, Sloat Avenue, and Dewey Avenue. The meters only accept coin and have significant deterioration resulting in increased maintenance costs and significant failure rates.

Other cities in California, including the City of Monterey, transitioned to parking meters that accept both coin and credit cards, utilize solar panels, and wirelessly transmit real-time data to a web-based management system. Within the first year of utilizing the new parking meters, the City of Monterey realized a 44%-67% increase in revenues from their parking meter operations, depending on location and maximum parking time allowed.

The City of Pacific Grove completed a trial program with IPS Group, Inc. to test new single-head parking meters that have the ability to provide for multiple payment options, including credit card and pay-by-phone applications. Sixteen single space smart parking meters were installed on Eardley Avenue and Ocean View Boulevard as a field trial for three months. During the field trial, staff observed improvements in both customer service and parking meter revenue. The new parking meters have provided the following benefits:

- Enhanced reliability. The proposed parking meters have been more reliable in the test environment and in actual usage in neighboring cities. In the event of malfunction, the meters automatically alert meter maintenance staff, significantly decreasing down-time when malfunctions occur and revenue loss from broken meters.

- From October to December 2014, the sixteen trial meters collected \$14,363 which is higher revenue than projected with coin-only meters and accounts for approximately 15% of the total parking meter revenue (collected from all 101 meters) fiscal year-to-date by the City.
- Improved customer experience by allowing for payments with credit cards. Persons who don't have adequate cash are able to park without having to go to a change machine or seek change from a local merchant. During the trial, approximately 60% of transactions utilized a credit card.
- Increased credit card usage also provides a higher level of revenue control due to reduced number of staff handling cash, and a reduction in operational costs relative to processing coins for deposit.
- Parking rates and all operations criteria can be programmed remotely.

To enhance the overall parking experience and accommodate the City's parking rate strategy, the City must provide parking meters that are able to accept multiple payment options in addition to coins. Multiple payment options result in drivers being more willing and able to pay for additional parking and increase customer satisfaction by minimizing frustration over broken meters.

In addition to enhancing the parking experience, the meters may be adjusted to accommodate rate changes, thereby facilitating any rate management strategies endorsed by Council. The ground sensors use wireless communication to allow for remote management. Through this system, meters report their status and activity and provide parking occupancy data (a technological means to prevent feeding the meter beyond the posted time limit that requires all parking customers to pay for the parking they utilize), and sends text alerts to instantly report jams, enabling parking meter technicians to respond. Last, the sensors have the capability of resetting the meter after each vehicle has left the space, allowing the City to lease the space again, resulting in additional revenue, since each driver is required to pay for the amount of time he or she is seeking to park. These would all enhance the City's transportation demand managing capability.

VENDOR SELECTION

Section 2.16.080 (g) of the City of Pacific Grove Municipal Code authorizes the City to contract for equipment and services "when the article can be purchased more economically through the central authority of another governmental agency."

In June 2013, the City of San Rafael issued a competitive Request for Proposal for 1,000 smart parking meters, sensors, and data management system with requirements similar to the City of Pacific Grove. The City of San Rafael received four proposals from: Duncan Parking Technologies, Mackay Meters Inc., POM Inc., and IPS Group Inc. They followed a "best value" evaluation process where the selection was based on a variety of weighted criteria, including cost and capability. The City of San Rafael's evaluation committee recommended IPS Group, Inc. for award of contract.

San Rafael's RFP included a "cooperative" provision that required the selected vendor to extend identical prices and services under the same terms and conditions to all public agencies. In November 2013, the City of San Rafael City Council approved an award of contract to IPS Group, Inc. for the purchase of 1,000 smart parking meters, sensors, and data management system. As it is unlikely that Pacific Grove would receive better proposals, given the smaller purchase size, it behooves the City to utilize the best value process initiated by San Rafael.

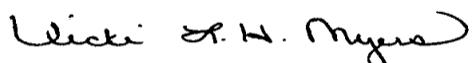
FISCAL IMPACT

Funding has been allocated for this project in the Police Department FY 2014/15 Budget under the Operating Budget, Fund 01/ Division 301. Ongoing fees to cover the cost of the data management system will be \$6,969 a year for the parking meters and \$7,575 a year for the sensors. In addition, a \$.13 fee will be assessed for each credit card transaction. Installation of the new meters is anticipated to occur in April. It is estimated that for the remainder of FY 2014/15, the City will pay \$4,000 in fees and generate approximately \$90,000 in revenue. In FY 2015/16, it is estimated the City will pay \$15,000 in fees and generate \$300,000 in revenue. As a comparison, the average annual parking meter revenue received over the last five fiscal years was approximately \$200,000 each year. The ongoing fees for data collection and new meters will enhance the quality of experience parkers encounter and improve the City's ability to manage the parking program.

ATTACHMENTS

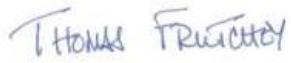
1. Resolution
2. Contract

RESPECTFULLY SUBMITTED:



Vicki L. H. Myers
Chief of Police

REVIEWED BY:



Thomas Fruthey
City Manager

RESOLUTION NO. 15-

**AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT
WITH IPS GROUP, INC. FOR THE PURCHASE OF SMART PARKING METERS,
SENSORS, INSTALLATION SERVICES AND DATA MANAGEMENT SYSTEM**

Findings

1. The City of Pacific Grove (“City”) is responsible for the operation of 101 parking meters near the American Tin Cannery. The Pacific Grove Municipal Code Chapter 2.16.320 requires projects involving an expenditure of more than \$35,000, are approved by City Council by resolution.
2. The City of Pacific Grove tested 16 meters from IPS Group, Inc. on a trial basis, in which staff observed improvements to both customer service and parking meter revenue.
3. Funding has been allocated for this project in the Police Department FY 2014/2015 Budget under the General Fund, Fund 01/ Division 301.
4. This action is categorically exempt as defined under the California Environmental Quality Act (CEQA) under Class 1, Article 19, Section 15301(b). Existing facilities, this states that Class 1 includes maintenance of existing public facilities.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF PACIFIC GROVE:**

1. The foregoing Findings set forth above, are by this reference incorporated as an integral part of this Resolution.
2. The City Manager is authorized to execute all documents and to perform all other necessary City acts to enter into an agreement with IPS Group, Inc. for the purchase of 101 single space smart parking meters, 5 back-up single space smart parking meters, 101 sensors, installation and training services, and a hosted web based data management system in an amount not to exceed \$83,730 plus applicable sales tax. The City Manager is authorized to make any necessary changes in the Agreement and Lease consistent with the Council’s overall direction and with City goals.
3. This Resolution shall become effective immediately following passage and adoption hereof.

**PASSED AND ADOPTED BY THE COUNCIL OF THE CITY OF PACIFIC GROVE this 4th
day of February 2015, by the following vote:**

AYES:

NOES:

ABSENT:

APPROVED:

BILL KAMPE, Mayor

ATTEST:

SANDRA KANDELL, Deputy City Clerk

APPROVED AS TO FORM:

DAVID C. LAREDO, City Attorney

AGREEMENT TO PURCHASE PARKING METER EQUIPMENT AND RELATED SERVICES

This Agreement To Purchase Parking Meter Equipment And Related Services (“Agreement”) is made effective February 4th, 2015 (the “Effective Date”), by and between the City of Pacific Grove, a municipal corporation (the “City”), and IPS GROUP, INC., a Pennsylvania corporation (“IPS”), with reference to the following:

RECITALS

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of the City.
- B. IPS is a corporation duly organized and validly existing under the laws of the Commonwealth of Pennsylvania.
- C. City and IPS desire to enter into this Agreement for the purchase of 106 new, fully tested parking meters and related equipment and services.

Now, therefore, the parties agree as follows:

AGREEMENT

1. Term of Agreement.

- 1.1. **Initial Term.** This Agreement begins on the Effective Date and terminates five calendar years thereafter, unless terminated earlier as set forth in this Agreement.
- 1.2. **Option to Extend.** City has the option, in its sole and absolute discretion and subject to City Council approval, to extend the term of this Agreement for an additional three-year period. City will notify IPS of its intention to exercise the option to extend this Agreement at least 90 days prior to the end of the initial term.
- 1.3. **Option to Terminate.** During the term of this Agreement, the City may terminate the Agreement for any reason by giving written notice of termination to the IPS at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be limited to those services provided prior to the date of termination.

2. IPS Services.

- 2.1. **Scope of Services.** IPS agrees to diligently undertake, perform, and complete all of the services (“Services”) described in Attachment A, B and C, incorporated herein by this reference, which include but are not limited to the following items:

- 2.1.1. All data related to the parking meter system will be maintained by IPS and replicated on one or more duplicate servers with regular backups.
- 2.1.2. City may, from time to time, wish to implement available upgrades in meter hardware and software. Additional hardware costs will be paid by the City as provided for in a quote by IPS separate from or by mutual written amendment to this Agreement. The City maintains the sole authority to determine when and where such upgrades will be implemented.
- 2.1.3. IPS will make any publically available software upgrades at no additional charge to the City. However, any data costs associated with downloading such software upgrades to parking meters will apply. Additional charges may apply for new software that requires new or upgraded hardware.

3. City Services. The City agrees to:

- 3.1. Make available to IPS any and all currently existing documents, data or information required for the implementation and ongoing performance of the Services.
- 3.2. Designate a representative authorized to act on behalf of the City.
- 3.3. Promptly examine and respond to all documents submitted for staff review by IPS.

4. Parking Meter Equipment Delivery and Installation.

- 4.1. IPS shall deliver new, fully-tested parking meter equipment. No used or previously owned parking meter equipment will be allowed.
- 4.2. IPS shall complete the installation of all parking meter equipment. Coordinated installation of all parking meter equipment will take place according to a pre-defined deployment plan created by City and IPS. City shall absolute discretion as to the placement of all parking meters and equipments and shall provide a detailed deployment database in an electronic format that will also include rates, time limits, hours, and restrictions for each meter.
- 4.3. City staff, in conjunction with IPS staff, will inspect parking meter equipment following installation to ensure proper installation and operation. Acceptance of installation and operation shall take place at the time of installation unless notified in writing of any dispute within 10 business days.

5. Use of Parking Meter Equipment.

- 5.1. City shall maintain the parking meter equipment in the proper manner and shall comply with and conform to all national, state, and local laws and regulations in any way relating to the possession, use or maintenance of the equipment.
- 5.2. City, at its own cost and expense, shall keep the equipment in good repair, condition and working order. The City will also notify IPS of any need for warranty repair work and will coordinate the return process with IPS.

6. Payments.

- 6.1. The City will compensate IPS for the Services as set forth in Attachment A. Notwithstanding

the foregoing, IPS shall not be required to provide any ongoing operating services without ongoing payment.

- 6.2. City further agrees to pay to IPS the amounts specified in Attachment A on a Net 30 basis from the date of equipment installation. City further agrees to pay to IPS the amounts specified in Attachment B on a Net 30 basis from the date of invoice for ongoing services.
- 6.3. City agrees to promptly notify IPS in writing of any dispute with any invoice, and that invoices for which no such notification is made within 10 business days shall be deemed accepted by the City.

7. **Warranties.**

- 7.1. IPS shall provide a full 12-month warranty on all equipment as described in Attachment D "IPS Limited Warranty", on all installed equipment. Extended warranties are available for an additional fee.

8. **Intellectual Property.**

- 8.1. For purposes of this Agreement, "City Data" means all intellectual property of the City, including but not limited to occupancy data, financial records, programming configurations of the parking meters, GIS location and rates, and other operational data and tailored operational programming related to the parking meters. The City shall exclusively and solely own all City Data and the intellectual property therein. IPS agrees to execute any documents necessary for the City to perfect, memorialize, or record City's ownership rights in City Data.
- 8.2. IPS may not provide or disclose any City Data to any third party without the City's prior written consent.
- 8.3. IPS hereby grants the City, including its departments, commissioners, officials, officers, employees, consultants, and agents (collectively, "City") all the rights and licenses required to use IPS Equipment and Software. Such rights and licenses are non-assignable, non-transferable and non-exclusive, and specific only to use within the City.
- 8.4. Nothing in this Agreement shall be construed as assigning, selling, conveying, or otherwise transferring any ownership rights or title in IPS Equipment and Software, including but not limited to pre-existing or independently developed intellectual property, materials, software, methodologies, tools, or inventions, that are developed, conceived or created for any IPS business purpose, or any derivative works to any of the foregoing.
- 8.5. IPS understands the nature of public information and the requirement for the City to adhere to all rules and laws that apply to public information, such as the Freedom of Information Act, Public Records Act, and the like. However, the City also understands that the IPS Equipment and Software contains intellectual property, copyrights, and trade secrets that do not exist in the public domain. Therefore, the City agrees that it will not knowingly agree, assist, or sell any equipment or allow any third party to gain access to equipment, software, or documentation provided by IPS for the purposes of reverse engineering or evaluation without the prior written consent of IPS, or as mandated by applicable law.

8.6. The provisions of this Section will survive expiration or termination of this Agreement.

9. Event of Default

- 9.1. If either the City or IPS violates any material term or condition of this Agreement or fails to fulfill in a timely and proper manner its obligations under this Agreement ("Event of Default"), then the aggrieved party will give the other party (the "responsible party") written notice of such failure or violation. The responsible party will correct the violation or failure within 30 calendar days or as otherwise mutually agreed. If the failure or violation is not corrected, this Agreement may be terminated immediately by written notice from the aggrieved party. The option to terminate will be at the sole discretion of the aggrieved party.
- 9.2. Upon termination, the City is liable only for all outstanding payments required by the terms of this Agreement for Services received and accepted by the City at that point in time.

10. Dispute Resolution. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to attempt resolution of a dispute prior to filing a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation. In the case of mediation, the parties shall jointly retain a mutually-agreed upon neutral mediator and participate in confidential mediation to continue attempting to resolve the matter. The parties shall equally share the costs of mediation. Should mediation fail to resolve a dispute between the parties, it is agreed that the dispute may be resolved in a court of law competent to hear this matter, consistent with the provisions of Paragraph 20.

11. Insurance.

11.1. Insurance Coverage Requirements: Without limiting IPS' duty to indemnify, IPS shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

11.2. Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

11.3. Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with

a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

11.4. Workers' Compensation Insurance, if IPS employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval)

11.5. Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the IPS shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

11.6. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the City and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date IPS completes its performance of services under this Agreement.

11.7. Each liability policy shall provide that the City shall be given notice in writing at least thirty days in advance of any cancellation thereof. IPS [or Contractor's insurance broker] shall provide the City notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

11.8. Commercial general liability and automobile liability policies shall provide an endorsement naming the City of Pacific Grove, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the IPS' work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the City and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the IPS' insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The

required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

11.9. Prior to the execution of this Agreement by the City, IPS shall file certificates of insurance with the City's contract administrator and City's Contracts/Purchasing Division, showing that the IPS has in effect the insurance required by this Agreement. The IPS shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

11.10. IPS shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by City, annual certificates to City's Contract Administrator and City's Contracts/Purchasing Division. If the certificate is not received by the expiration date, City shall notify IPS and IPS shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by IPS to maintain such insurance is a default of this Agreement which entitles City, at its sole discretion, to terminate this Agreement immediately.

12. Indemnification. IPS agrees to defend and indemnify City, its City Council, boards, commissions, officers, agents, and employees, from and against any or all loss, damages, liability, claims, suits, costs, expenses, and judgments, whatsoever, including reasonable attorney's fees, arising out of or in connection with the execution of this Agreement, unless such damages, liability, claims, suits, costs, expenses, and/or judgments arise out of the sole negligence or willful misconduct of the City.

13. Liens and Taxes. City shall keep the parking meter equipment free and clear of all levies, liens, and encumbrances, except those created by this Agreement. City shall pay, when due, all charges and taxes (local, state, and federal), which may now or hereafter be imposed in conjunction with this Agreement.

14. Notices. All notices under this Agreement must be in writing, shall refer to the title and effective date of this Agreement, and shall be sufficient if given personally, sent and confirmed electronically, or mailed certified, return receipt requested, postage prepaid, and at the address hereinafter set forth or to such address as such party may provide in writing from time to time. Any such notice will be deemed to have been received five days subsequent to mailing. Notices shall be sent to the following addresses:

IPS: IPS Group, Inc.
5601 Oberlin Drive, Suite 100
San Diego, CA 92121
Attn: Chad Randall
chad.randall@ipsgroupinc.com

City: Pacific Grove
580 Pine Avenue
Pacific Grove, Ca 93950
Attn: Jocelyn Francis
jfrancis@cityofpacificgrove.org

- 15. Relationship of the Parties.** This Agreement shall not be construed as creating an agency, partnership, joint venture or any other form of association between the parties, and both parties shall be and remain independent entities. Neither party has the right or authority, express or implied, to assume or create any obligation of any kind, or to make any representation or warranty, on behalf of the other party or to bind the other party in any respect whatsoever, except as otherwise provided in this Agreement.
- 16. Assignment.** Should the City enter into an agreement with a third party for parking operations during the term of this Agreement such assignment shall not be effective unless and until the City has provided notice to the IPS of such assignment, and any such third party will be required to adhere to all terms and conditions contained herein.
- 17. Waiver.** No waiver of any breach of any provision of this Agreement shall constitute a waiver of any other breach of such provision. Failure of any party to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The specific rights and remedies set forth in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law.
- 18. Entire Agreement.** This Agreement sets forth the entire agreement between the parties with respect to the subject matter hereof. Understandings, agreements, representations or warranties not contained in this Agreement, or as written amendment hereto, shall not be binding on either party. Except as provided herein, no alteration of any terms, conditions, delivery, price, quality or specifications of this Agreement shall be binding on either party without the written consent of both parties.
- 19. Governing Law.** This Agreement shall be construed and enforced according to the laws of the State of California, without regards to conflict-of-laws principles, and all local laws, ordinances, rules, and regulations.
- 20. Venue and Jurisdiction.** For the purposes of litigation, the parties agree that venue exists in the County of Monterey, California, as this Agreement is entered into and shall be performed in Monterey County.
- 21. Force Majeure.** If any party is prevented from performing its obligation stated in this Agreement by any event not within the reasonable control of that party, including, but not limited to, an act of God, public enemy, war, fire, an act or failure to act of a government entity (except on the part of the City), unavailability of materials, or actions by or against labor unions, it shall not be in default in the performance of its obligations stated in this Agreement. Provided, however, any party delayed by such an event shall request an extension of time to perform its obligations stated in this Agreement by notifying the party to which it is obligated within ten days following the event. If the notified party agrees that the event was the cause of the delay, the time to perform the obligations stated in this Agreement shall be extended by the number of days of delay caused by the event. If the required notice is not given by the delayed party, no time extension shall be granted.
- 22. Severability.** If any provision in this Agreement subsequently is determined to be invalid, illegal or unenforceable, that determination shall not affect the validity, legality or

enforceability of the remaining provisions stated in any section or sub-section of this Agreement.

23. Authorization. Each party warrants to the other party that the individuals executing this Agreement are authorized to do so.

24. Binding Document. The City and IPS each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto in respect to all covenants, conditions, and obligations contained in the Agreement.

25. Section Headings. All section headings in this Agreement are for the convenience of reference and are not intended to define or limit the scope of any provision of this Agreement.

26. Survival of Provisions and Obligations. Any provision of this Agreement, including, without limitation, Paragraph 12, which by its nature must be exercised after termination of this Agreement, will survive termination and remain effective for a reasonable time. Any obligation that accrued prior to termination of this Agreement will survive termination of this Agreement.

In witness whereof, the parties have caused this Agreement to be executed the day and year first above written.

ATTEST:

City Clerk

CITY
a municipal corporation

By: _____
City Manager

APPROVED AS TO FORM:

City Attorney

CONTRACTOR:
IPS GROUP, INC.,
a Pennsylvania corporation

By: _____
CHAD P. RANDALL
Chief Operating Officer

ATTACHMENT A.



Quote

IPS Group, Inc.
The Next Revolution in Parking

Date: January 26, 2015
Sales
Quote #:
Customer
ID: Pacific Grove

Ship to:
IPS Group, Inc.
5601 Oberlin Drive, Suite 100
San Diego CA 92121
858.404.0607

City of Pacific Grove
Attn: Jocelyn Francis
Address on file

Salesperson	Job	Shipping Method	Shipping Terms	Delivery Date	Payment Terms	Due Date
	NA	Ground	FOB San Diego	TBD	Net 30	

Qty	Item #	Description	Unit Price	Discount	Line Total
106.00	795-meter	M5 Single Space Meter (includes 12 month warranty)	\$475		\$ 50,350.00
101.00	Training	Training, Install and Commissioning	\$25		2,525.00
101.00	Sensors	Vehicle detection sensors (includes 12 month warranty)	\$250		25,250.00
101.00	Install	Installation	\$45		4,545.00
106.00	Freight	Freight	\$10		1,060.00
Total Discount					
				Subtotal	\$ 83,730.00
				Sales Tax	0.085
				Total	\$ 90,847.05

To accept this quote please sign and return: _____
Purchase Order: _____

Any additional costs for permitting/tax will be added to the final invoice cost

Thank you for your business!

5601 Oberlin Dr., Suite 100, San Diego, CA 92121 - Tel:858.404.0607 Fax:858.408.3352 - sales@ipsgroupinc.com

ATTACHMENT B

REQUIRED ONGOING METER FEES

Item – per meter per month	Option 1
Secure Wireless Gateway / Data Fee* & Management System License Fee	\$5.75
Per Credit Card Gateway Fee	\$0.13

* base data fee includes all base data requirements for the meter, including real time reporting of credit card transactions and maintenance alerts.

NOTE: Price per meter (per unit) is the total fixed price for the equipment. Additional ongoing costs associated with wireless services, management system access, and credit card fees are ongoing and outlined above. All pricing does not include any applicable state or local taxes that are required to be paid by the city currently or in the future. Credit card fees are not inclusive of any additional fees charged by the Customer's Bank or Processor. Ongoing fees are subject to annual adjustment due to increases in Inflation as published by the US Bureau of Labor Statistics for All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, and will not exceed 3% annually.

ATTACHMENT C

REQUIRED ONGOING METER FEES

Item	Spaces	Cost per month per space	Ext Annual Cost
Management System / Base Data Fee	101	\$3.50	\$4,242
Optional: Real Time Reporting Fee	101	\$2.75	\$3,333
Total		\$6.25	\$7,575

NOTE: Price per sensor (per unit) is the total fixed price for the equipment. Additional ongoing costs associated with wireless services, management system access are ongoing and outlined above. All pricing does not include any applicable state or local taxes that are required to be paid by the city currently or in the future. Credit card fees are not inclusive of any additional fees charged by the Customer's Bank or Processor. Ongoing fees are subject to annual adjustment due to increases in Inflation as published by the US Bureau of Labor Statistics for All Items Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average, and will not exceed 3% annually.

Note: pay-by-cell service and/or real time data pushed to the meter will drain battery life more rapidly. Real time applications shall have a meter battery warranty of 12 months. Pay-by-cell with real time data push shall have a meter battery warranty of 6 months.

ATTACHMENT D

IPS LIMITED WARRANTY

IPS will provide a limited warranty for any new meter or sensor product manufactured and supplied by IPS for 12 months against defects in materials and workmanship from the time of installation or 15 months from the date of delivery, whichever is sooner, and 90 days from the date of delivery received in the case of spare or repaired products. IPS does not cover defects caused by improper care or use, lack of preventative maintenance, and does not warranty any defects due to vandalism or other factors contained as a part of the Force Majeure clause below.

Additional Provisions:

- IPS must have the opportunity to assist in the initial deployment and system installation.
- Repair or replacement under warranty of any defective product (including any meter or subcomponent) does not extend the warranty period for that product or subcomponent.
- IPS will either repair or replace products or subcomponents, at our discretion, that are found to be defective within the defined warranty period.
- Returns for credit will only apply once IPS has received defective product (including any meter or subcomponent) and confirmed that defects were within the warranty period and are covered under the terms and conditions of the warranty provided.

Exclusions:

- Warranty voided with use of imitation or non-genuine IPS replacement parts, un-authorized alterations, abuse, vandalism, improper handling or general misuse to the equipment (hardware or software), including attempted repairs that result in damage.
- Force Majeure: IPS shall not be liable for any warranty provisions where such product failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity (or cellular

telecommunication failures caused by any of the events or causes described above).

Preventative Maintenance (Meters):

- Preventative maintenance will be similar to current single-space parking meters. However, the primary elements will be a working battery, card reader and coin validator.
- Meters surfaces should be kept clean with mild soap and water.
- The card reader heads should be cleaned with a cleaning card every 1-2 months to ensure optimum performance. Cleaning cards may be purchased from IPS.
- At 9-12 month increments, the coin validator shall be visually inspected for any damage or debris. Compressed air may be used to keep the card reader and coin acceptor clear of debris, every 9-12 months.
- Additional preventative maintenance shall be administered by City Staff at such time as it is apparent to be necessary, even if it should occur on a more frequent basis than described herein.
- City, at its own cost and expense, shall keep the equipment in good repair, condition and working order after warranty expiration.